IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE TWENTY SIXTH DAY OF APRIL
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE DR JUSTICE G.YETHIRAJULU

WRIT PETITION NO : 4627 of 2005

Between:

K.S.R. Raju, S/o. Late Sri Bangarraju,
R/o. Plot No.C-30, Dayal Nagar Colony, Visakhapatnam-43.

..... PETITIONER

AND

1 The Chief Engineer (R&B) Roads, Erramanzil, Hyderabad.
2 The Superintending Engineer, R&B Circle, Seetammadhara,

Visakhapatnam.
3 The Pay & Accounts Officer, Y.R.C. Wing, maharanipet,

Visakhapatnam-13.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to Issue an appropriate writ, order or direction more particularly one in the nature of writ of mandamus declaring the action of the respondents in recovering the seigniorage charges on ordinary earth from the work bills of the petitioner in respect of Agreement C.R.No.31/2002-03 entered into with the 2nd respondent, as illegal, arbitrary and without authority of law and consequently direct the respondents to repay the amount recovered towards seigniorage charges on ordinary earth from the bills of the petitioner under the above said agreement forthwith.

Counsel for the Petitioner:MR.N.SIVA REDDY

Counsel for the Respondent Nos.1 to 3: GP FOR ROADS & BUILDINGS

The Court at the admission stage made the following :

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ORDER:

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The petitioner undertook some work entrusted by the respondents as per the terms of the agreement entered into with the second respondent. The grievance of the petitioner is that the respondents retained some amount towards seigniorage charges on ordinary earth from the work bills of the petitioner without there being any such condition in the agreement. Therefore, he approached this Court seeking to declare the action of the respondents in recovering the seigniorage charges on ordinary earth from the work bills of the petitioner in respect of the agreement entered into with the second respondent as illegal and arbitrary and to direct them to pay the amount towards seigniorage charges on ordinary earth from the bills of the petitioner.

The learned counsel for the petitioner brought to the notice of this Court a judgment of a Division Bench of this Court in W.P.No.2054 of 2004 wherein the following order has been passed;

> "Following the said view, we allow the writ petition directing the respondents not to collect any seigniorage charges from the petitioner for digging ordinary earth in respect of execution of contract work covered under the agreement. No costs. However, we make it clear that if the tax is included in the estimate on the earthwork component, it can be deducted as per G.O.Ms.No,.23, dated 05-03-1999".

In view of the said judgment, the Writ Petition is allowed and the action of the respondents in retaining the part of the amount payable to the petitioner

towards seigniorage charges on ordinary earth from the work bills of the petitioner is not justified. The respondents are directed to pay the amount retained by them towards seigniorage charges on ordinary earth to the petitioner. No costs.

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26-04-2005

To

1 The Chief Engineer (R&B) Roads, Erramanzil, Hyderabad.
2 The Superintending Engineer, R&B Circle, Seetammadhara,

Visakhapatnam.
3 The Pay & Accounts Officer, Y.R.C. Wing, maharanipet,

Visakhapatnam-13.

4. Two CCs to the Government Pleader for Roads & Buildings, High Court Building, Hyderabad. (OUT).

5. Two C.D. copies.

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